The Financial Services Scene: An American Banker Scorecard

A Look at Standings of the Major Players By Lines of Business

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(Dollar Figures in Millions)

(All Data as of 12/31/83)

	Total Assets	Net Income	Number of Countries	Number of States	Number of Outlets	Number of Discount Brokerage Accounts	Number of Full Service Brokerage Accounts	Number of Cash Management-Type Accounts	Dollars in Cash Management-Type Accounts	Number of Mutual Fund Accounts	Total Tax-Exempt Mutual Fund Assets	Total Taxable Mutual Fund Assets	Number of Annuities	Dollars in Annuities	Total Bank Deposits	Total Thrift Deposits	Number of IRA Accounts	Total IRA Assets	Number of Keogh and Other Retirement Accounts	Total Keogh and Other Retirement Assets	Assets Under Discretionary Management	Life Insurance in Force	Life Insurance Premium Written in 1983	Face Value of New Life Insurance Issued in 1983	Property/Casualty Premium Written in 1983	Commercial Loans (Gross)	Consumer Loans (Gross)	Policyholder Loans Outstanding	Residential First Mortgages	Residential Second Mortgages	Lease Assets (Gross)	Commercial Finance Co. Receivables (Gross)	Consumer Finance Co. Receivables (Gross)
Aetna Life and Casualty Co.	$47,600	$349.5	5	50	NS	0	0	0	0	952,575	$2,995	$20,219	198,430	$2,473	0	0	18,184	$93.8	67,963	$747.0	$65,700	$228,400[1]	$988.6[2]	$22,000	$4,080[1]	0	0	$532.8	$1,500[3]	—[3]	0	0	0
H.F. Ahmanson Co.	$20,226	$108.0	1	50	250[4]	10,000	0	0	0	0	0	0	NS	$67	0	$15,574	176,567[5]	$782.5[6]	—[7]	—[7]	$100	$6,682[8]	$79.3[9]	NS	$76.1[9]	$1,051[7]	$14.5[8]	$51.6	$15,337[8]	0	0	0	0
American Can Co.	$2,831[9]	$100.1	28	50	NS	0	3,500	0	0	671,000	$1,742	$3,080	0	0	0	0	187,000	$625	22,000	$250	$625	$68,144[2]	$822.8[2]	$41,224[2]	$29.9[2]	0	0	$72.9	$73.6	0	0	0	0
American Express Co.	$43,961	$515.0	130	50	2,153	0	900,000[10]	172,255	$8,448	1,413,000	$6,748	$7,597	374,000[11]	$2,384[11]	$10,505	0	155,840[12]	$563[12]	38,290[12]	$408[13]	$65,065	$28,715[13]	$155.8[13]	$2,797[13]	$2,800[13]	$5,741	NS	$46	$4.8[14]	$53[14]	$342	0	0
BankAmerica Corp.	$121,200	$390.5	76	42	1,570	650,000	0	40,000	$1,960	0	0	0	0	0	$115,783[15]	$38	565,290	$1,102	3,626	$45.6	$6,700	$753.8[16]	$15.0	$136.3	0	$44,189	$11,648	0	$16,487	$2,101	$2,015	$827.8	$1,370
Bankers Trust New York Corp.	$40,000	$261.2	35	50	60	NS	0	0	0	0	0	0	0	0	$22,800	0	NS	NS	NS	NS	$37.6	0	0	0	0	$16,100	$177	0	0	0	$327.5	0	0
Beneficial Corp.	$6,716	$105.6	7	39	1,347	0	0	0	0	0	0	0	39,262	$244.2	$59.4[17]	$230.5	855	$1.0	32	$1.6	0	$7,116[18]	$124.1[18]	$4,076[18]	$90.7	$77.5	$1,455	$15.3	$254.8	$2,506	$207.9	$77.5	$1,455
Cal Fed Inc.	$14,329	$80.5	1	7	229	NS	0	0	0	0	0	0	0	0	0	$11,116	63,206	$263.3	7,342	$93.0	$1,977	0	0	0	0	$34.3	$1,317	0	$6,350[3]	—[3]	0	0	$123.3
Chase Manhattan Corp.	$81,920	$429.6	74	24	975	NS	0	NS	NS	0	0	0	0	0	$56,300	0	50,976	$129.3	NS	NS	$17,842	0	0	0	0	$34,370	$4,180	0	$2,017	NS	$547	0	0
Chemical New York Corp.	$51,165	$305.6	15	21	455	0	0	0	0	0	0	0	0	0	$32,452	0	107,041	$228	1,286	NS	$15,500	0	0	0	0	$21,849	$2,186	0	$1.0	NS	$968	$0.1	$410.6
Cigna companies	$35,117	$535.0	1	50	510	0	0	0	0	42,500	$145.8	$717.0	945,000	$16,698	0	23,725	$170.0	25,500	$488.6	$31,600	$153,579[1]	$708.6[1]	$13,291[1]	$4,676[1]	0	0	$568.8	0	0	0	0	0	
Citicorp	$134,656	$860.0	95	41	2,583	NS	0	NS	NS	0	0	0	0	0	$79,794[19]	$7,000	NS	$493.4[6]	NS	—[6]	$23,400	0	0	0	0	$60,242	$28,995	0	$13,600[3]	—[3]	$1,817	NS	$8,200
Continental Illinois Corp.	$42,097	$108.3	36	9	112	NS	0	0	0	0	0	0	0	0	$29,400	0	NS	$70.8	NS	$2.5	$10,864	0	0	0	0	$19,712	$1,407	0	$875.3[3]	—[3]	$1,038	NS	0
Dreyfus Corp.	$247.4	$34.0	3	6	10	0	0	0	0	1,301,000	$3,789	$14,300	0	0	$39.6	0	NS	NS	NS	NS	$1,900	NS	NS	NS	0	0	$4.1	NS	$8.1	0	0	0	0
Fidelity Investments	$487.1[20]	$20.6	1	50	28	375,000	0	28,000	$775	1,500,000	$4,500	$17,400	9,400	$180	$1	0	NS	NS	NS	NS	$1,100	0	0	0	0	0	0	0	0	0	0	0	0
First Interstate Bancorp	$44,423	$247.4	55	50	976	NS	0	NS	NS	0	0	0	0	0	$32,031	0	NS	$350.9[6]	NS	—[6]	$11,800	0	0	0	0	$10,689	$4,709	0	$3,820[3]	—[3]	$880.9	0	0
Great Western Financial Corp.	$18,600	$73.7	1	50	600	0	0	24,200	$417.3	4,449	$9.9	0	700	$34	0	$13,500	140,000	$484.1	13,375	$147.2	0	$3,000[1]	$75.1[1]	NS	$5.4[1]	$1,400[7]	$604.8	0	$12,400	$152	$150	$130	$484
Household International, Inc.	$8,446	$206.4	3	45	1,675	0	0	0	0	0	0	0	NS	NS	$109.2	$310.1	NS	NS	NS	NS	0	$13,436[1]	$219.5	$5.7	$1.2	$504.4	$4,727	$37.7	0	$1,811	$280.4	$784.8	$4,727
The E.F. Hutton Group, Inc.	$13,164	$110.6	13	50	412	0	1,200,000	38,000	$3,600	375,000	$780	$7,170	0	0	0	0	308,000	$716	7,600	$38	$16,390	$8,600[1]	$170.7[1]	$3,597[1]	0	$249.2	0	$17.9	0	$9.7	$640.5	$830.3	0
John Hancock Mutual Life Insurance Co.	$23,500[21]	NS	4	50	429	0	150,000	NS	NS	295,604	$157.7	$1,188	677,194	$690.5	0	0	NS	NS	NS	NS	$6,300	$159,300[2]	$1,500[2]	$21,800[2]	$198[1]	0	0	$2,041	0	0	$162.2	0	0
Kemper Corp.	$6,800	$99.6	9	50	NS	0	331,354	4,000	$52	596,637	$1,276	$8,990	208,743	$2,100	0	0	84,303	$478.6	147,646	$1,268	$2,962	$31,200[2]	$469.7[2]	$11,580[2]	$1,030[1]	0	0	$37.5	0	0	0	0	0
Manufacturers Hanover Corp.	$64,300	$337.0	43	33	810	0	0	0	0	0	0	0	0	0	$42,300	0	67,400	$201	600	$12	$22,000	0	0	0	0	$23,000	$4,200	0	$700[3]	—[3]	$3,326	$1,000	$1,400
Merrill Lynch & Co., Inc.	$26,139	$230.2	31	49	1,007	0	4,800,000[22]	1,000,000[23]	$70,000[24]	NS	$4,180	$32,280	4,000	$40.3	0	0	800,000[5]	$6,000[6]	—[5]	—[6]	$2,100	$9,200[2]	$60.7[2]	$2,573[2]	0	NS	NS	NS	$4,160	$40[25]	NS	0	0
Metropolitan Life Insurance Co.	$62,700[26]	NS	2	50	1,300	0	0	0	0	NS	$956[27]	—[27]	1,563,060	$3,517	0	0	144,708	$469.4	89,012	$831.6	$38,500	$450,909[1]	105.2[1]	$26,700[1]	$504.4[1]	0	0	$2,712	$12.2	0	$100	0	0
T. Rowe Price Associates, Inc.	NS	NS	1	50	1	0	0	0	0	712,000	$1,586	$6,669	0	0	0	0	163,000	$577	114,000	$1,700	$16,100	0	0	0	0	0	0	0	0	0	0	0	0
Prudential Insurance Co. of America	$84,675	NS	6	50	1,200[28]	0	1,000,000	46,000	$7,000	NS	$920	$5,100	4,739,536	$31,681	$178.3	0	663,000	$1,626	20,500	$169	$5.6	$510,523[2]	$468[2]	$34,532[2]	$1,615[1]	$29,800	0	$4,825	$13,892	$1.0	$7,040	$1,545	0
Sears, Roebuck & Co.	$46,176	$1,342	19	50	7,000	0	1,345,000	125,000	$1,500	NS	$750	$8,250	NS	NS	0	$3,800	300,000	$2,500	NS	NS	NS	$48,300[2]	$924.3[29]	$7,700[2]	$6,549[2]	0	11,000[8]	$105	$4,400[3]	—[3]	0	0	$495
Security Pacific Corp.	$40,382	$264.3	27	46	1,186	150,000	0	0	0	0	0	0	0	0	$27,763	0	89,756	$310.2	1,523	$8.6	$5,858	0	0	0	0	$12,226	$5,475	0	$4,180	$1,204	$1.7	$703	$1,289
Transamerica Corp.	$10,952	$198.4	100	50	2,000[30]	0	0	0	0	26,000	0	$347	21,200	$2,100	0	0	50,000	$300	14,000	$260	$400	$118,200[2]	$1,200[2]	$34,800[2]	$740[1]	NS	$1,600	$400	$482.2	$1,100	$618[31]	0	$1,600
The Travelers Corp.	$32,900	$312.4	33	50	120,000[32]	0	0	NS	$20.8[33]	279,200	$250	$3,600	1,087,217	$1,895	0	0	10,946	$54.9	10,722	$163.3	$1,600	$136,400[2]	$8,066[2]	$10,500[2]	$3,200[2]	0	0	$463.3	0	0	0	0	0

NS — Not supplied.
0 — Not in this business as of 12/31/83

[1] Includes reinsurance.
[2] Does not include reinsurance.
[3] First and second mortgages included under first mortgages.
[4] S&L outlets only.
[5] IRA, Keogh and all other consumer retirement accounts included under number of IRA accounts.
[6] IRA, Keogh and all other consumer retirement assets included under total IRA assets.
[7] Loans secured by commercial real estate.
[8] Credit card outstandings.
[9] Does not include unconsolidated financial services subsidiary assets of $2.145 billion or these companies' assets under management of $5.846 billion. The figure does include $758.9 million in investments in and advances to financial services subsidiaries which are accounted for on an equity basis.
[10] Active brokerage households.
[11] Data from IDS/American Express and Fireman's Fund Insurance Co.
[12] Data from IDS/American Express.
[13] Data from Fireman's Fund Insurance Co. and IDS/American Express. Does not include reinsurance.
[14] Data from Shearson/American Express.
[15] Data from Bank of America NT & SA, not Seattle-First National Bank.
[16] Credit life insurance.
[17] Beneficial National Bank is an unconsolidated subsidiary.
[18] Includes credit life, ordinary life and reinsurance.
[19] Citicorp deposits. Includes Citibank NA, New York, as well as the upstate affiliate, and other Citicorp banks.
[20] Does not include $23.1 billion of assets under management.
[21] Does not include $29.8 billion of assets under management.
[22] Domestic retail brokerage customers.
[23] Merrill Lynch says "one million plus," not including 10,000 CMA's for corpurate customers.
[24] Individual accounts only.
[25] Does not include "Equity Access Loans," Merrill's second mortgage lines.
[26] Does not include $12.3 billion of assets under management.
[27] All mutual funds managed by State Street Research and Management Co. Taxable and tax-exempt funds included under total tax-exempt mutual fund assets.
[28] Prudential has 22,500 agents.
[29] Includes health insurance; does not include reinsurance.
[30] Insurance and finance company offices only.
[31] Net of depreciation
[32] Number of agents.
[33] Data as of July 19, 1984.

Net Income for 1983

(Dollar Figures in Millions)

1. Sears Roebuck & Co	$1,300
2. Citicorp	$860
3. Cigna companies	$535
4. American Express Co	$515
5. Chase Manhattan Corp	$430

Total Reach of Firm

Number of Offices (Outlets)

1. Sears Roebuck & Co	7,000
2. Citicorp	2,583
3. American Express Co	2,153
4. Transamerica Corp	2,000
5. Household International Inc	1,675

Bank Deposits at Nonbanking Firms

(Dollar Figures in Millions)

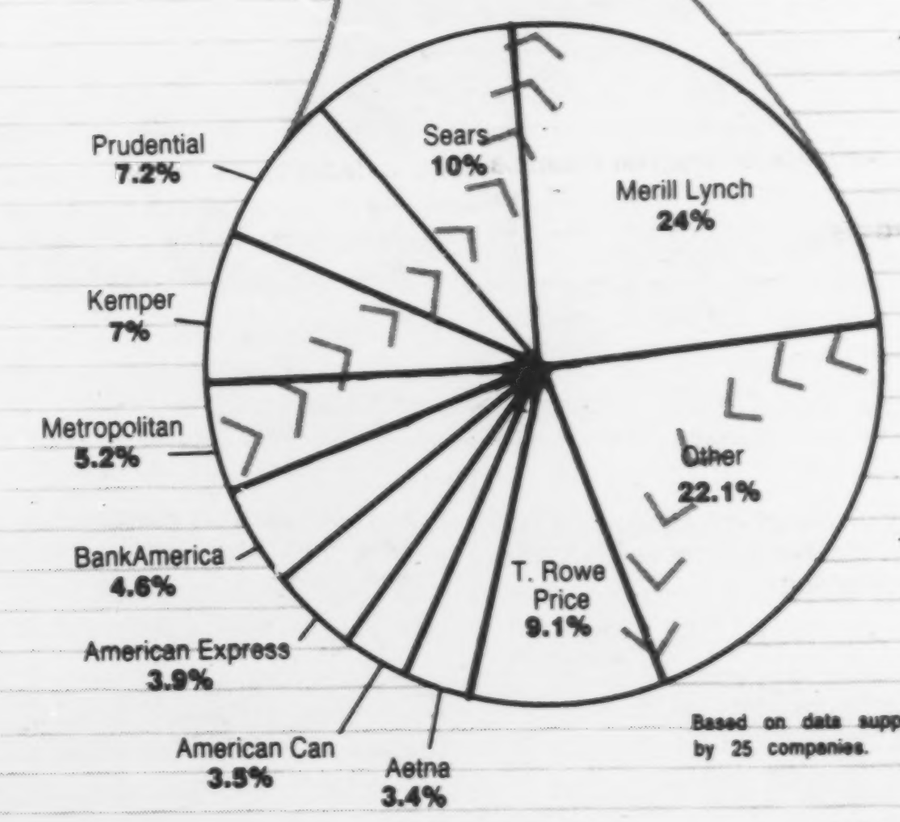
1. American Express Co	$10,500
2. Prudential Insurance Co	$178.3
3. Household International Inc	$109.2
4. Beneficial Corp	$59.4
5. Dreyfus Corp	$39.6

Thrift Deposits at Nonthrift Firms

(Dollar Figures in Millions)

1. Citicorp	$7,000
2. Sears Roebuck & Co	$3,800
3. Household International Inc	$310.1
4. Beneficial Corp	$230.5
5. BankAmerica Corp	$38

Total of IRA, Keogh And Other Consumer Retirement Assets



Based on data supplied by 25 companies.

Worldwide Presence of Firm

Number of Countries

1. American Express Co	130
2. Transamerica Corp	100
3. Citicorp	95
4. BankAmerica Corp	76
5. Chase Manhattan Corp	74

How to Order Reprints

For a reprint of the "Financial Services Scorecard," send a $3 check to American Banker, Att: Gina Caputo, One State Street Plaza, New York 10004. (212) 943-8677.

Stanford Kay

Financial Scorecard . . .

Continued from page 8

other insurers — Met Life and Cigna companies — rank third and fourth.

Finally, in fifth place, is a banking firm — Citicorp, with $23.4 billion in assets under discretionary management. That is less than half of Aetna's and American Express' discretionary assets and is reflective of the difference between managing trust assets and managing both pension funds and premiums, which insurers count as discretionary assets.

Sears did not supply information for this category.

Home Loans: Of the 23 firms supplying information about their first and second mortgage loans outstanding, BankAmerica Corp. ranks as the largest mortgage lender, with $16.5 billion in first mortgages and $2.1 billion in second mortgages.

Placing second is the nation's largest thrift holding company, H.F. Ahmanson Co., with $15.3 billion in first mortgage loans.

Once again, Prudential Insurance is a high scorer in a category that traditionally belongs to banks and thrifts. It comes in third here, with nearly $14 billion in mortgage loans, almost all purchased on secondary markets.

Fourth is Citicorp, and fifth is Great Western Financial Corp.

Interestingly, Sears, with $4.4 billion in mortgages outstanding, and

Merrill Lynch, with $4.1 billion, both held more residential first mortgages at yearend 1983 than Chase Manhattan Corp., the nation's third largest banking company. Chase had $2 billion in first mortgages outstanding.

Every other one of the 23 supplying data for this category surpassed Chemical New York Corp., which only had $1 million in first mortgages on the books as of the end of 1983.

Leasing the Future: Bankers, for the past several years, have been touting the profitability of leasing everything from factory equipment to cars and boats. But a bank was not the holder of most lease assets on the *American Banker* scorecard — Prudential Insurance was.

The giant Prudential, with $7 billion in lease assets, conducts a leasing business that is more than twice as big as its next-place competitor, Manufacturers Hanover, which had $3.3 billion in this category.

But, because Merrill Lynch refused to supply information on its leasing operations, it is impossible to tell if Manufacturers Hanover was really second or, perhaps, third behind Merrill.

Financing Commerce: Prudential also beat Manufacturers Hanover in the category of commercial finance company receivables, with $1.5 billion worth of this business. Coming in third was BankAmerica Corp., indicating that the private brands division of the holding company's FinanceAmerica subsidiary has been busy; fourth was Household International, with $784.8 million in receivables; and fifth was Security Pacific Corp.

If Citicorp and Continental Illinois Corp. had supplied information in this category it is possible that these standings would be different.

Financing People: Citicorp owns the scorecard's largest consumer finance operation, with receivables of more than twice Household International's. Citicorp's consumer finance receivables were $8.2 billion, compared with $4.7 billion for Household, $1.6 billion for Transamerica, $1.5 billion for Beneficial, $1.4 billion for Manufacturers Hanover, and $1.4 billion for BankAmerica.

Robbing the Bank: When Walter Wriston was Citicorp's chairman, the firm's public affairs department published a handy little booklet called "The Old Bank Robbers' Guide to Where the New Money Is."

That booklet detailed banklike activities of some of the nation's largest nonbanking firms and nonbanking activities of some of the nation's largest banking companies — but it didn't specify the amounts of business in each line.

Today, Mr. Wriston, you can turn to the centerfold and get some of those numbers. ■

Dear Reader, How Are We Doing?

The American Banker wants very much to make sure its statistical studies for the financial services industry meet your information needs. So would you spend a moment to give us some feedback on the **The Financial Services Scene: An American Banker Scorecard** that appears in today's edition? Over the past year we have incorporated many of your suggestions to provide more meaningful information. Please return this questionnaire to Laura Gross, Associate Editor, American Banker, One State Street Plaza, New York, N.Y. 10004 (212) 943-5730.

(1.) How would you **change** the tabulation to make it more useful? What would you add?

_____

_____

_____

(2.) What do you like **best** about this tabulation?

_____

_____

(3.) What do you like **least** about this tabulation?

_____

_____

(4.) **How** do you use this information in your work?

_____

_____

(5.) What **new** statistical survey would you like to see?

_____

_____

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Name (optional)_____

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How the Scorecard Was Prepared

The information presented today in the *American Banker* "Financial Services Scorecard" was collected throughout 1984 from public documents and from interviews, both on and off the record, with personnel at participating companies. Much of the information was difficult to obtain because it was considered proprietary by the firms surveyed.

A worksheet containing 33 categories of information was also sent to participants to aid them in collecting the data.

Obtaining these numbers was often a difficult process for executives who couperated with the *American Banker* because it involved their compiling information from disparate subsidiaries, something many of these firms claim they never do — but which they may increasingly be asked to do in the future by regulators and investors.

Reaction to survey efforts by this newspaper ran from positive to negative. Most of the 30 firms surveyed were cooperative. Several executives even said they were grateful for the practice at pulling together data from subsidiaries. But others did not even try to collect the data, saying the task was too onerous or just impossible.

Because the *American Banker* asked for information in a way that most accountants usually do not prepare it, this endeavor should be viewed as a means of comparing only the data presented in the chart in today's centerfold. Attempting to compare data that was not provided explicitly for this survey may create problems.

Furthermore, there are difficulties in comparing the players within certain categories because each industry uses its own yardsticks. Assets under discretionary management, for example, can mean pension funds at one insurance company, premiums at another, or trust funds at a bank.

Many firms chose not to supply information in certain categories, some saying off the record that this was because they do too little, or too much, of a particular business. Those that claimed to do too much of some businesses said they did not want to boggle regulators' minds at a time when regulators are boggled enough.

Net income figures on the scorecard are for the year ended Dec. 31, 1983.

American Banker intends to conduct this exercise again in 1985, and it asks major financial services companies to begin collecting data for yearend 1984 on their total operations, including all subsidiaries, consolidated or unconsolidated. The updated version will be published later this year. This data, clearly marked MATRIX, can be mailed to Laura Gross, Associate Editor, *American Banker*, One State Street Plaza, New York, N.Y. 10004. She can be reached at (212) 943-5730.

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100 Wall Street, New York, N.Y. 10005

This announcement appears as a matter of record only.

C0175-H

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155180 JAN 15 6/24/85 C11
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TODAY

FED ACTION: The Fed has proposed a measure that promises to give new legitimacy to out-of-state nonbank banks that are owned by bank holding companies..... 1

UNDER FIRE: The SEC is looking into earnings gains that will be reported by many S&Ls for 1984 as a result of Freddie Mac's distribution of an issue of preferred stock and dividends to thrifts..... 1

AFFORDABLE BANKING: Many people in the United States cannot afford banking services, according to the preliminary findings of a survey by the Consumer Federation of America..... 1

OIL PICTURE: World oil prices seem poised for another fall, which could be good for motorists but bad for banks..... 2

INTERSTATE MERGER: The Fed has approved the first interstate merger under new Florida and Georgia reciprocal laws allowing interstate banking among southeastern states2

INTERNATIONAL BRIEFING: Despite some heady competition, the Bank of America believes the Canadian banking market offers lucrative opportunities for U.S. banks..... 2

WHAT ANALYSTS SAY: Commercial loan figures show that New England is a hot banking region..... 3

GETTING A JUMP: The New York State Bankers Association got a head start on its legislative lobbying campaign..... 3

EXECUTIVE CHANGE: Andrew B. Craig 3d, president of BancOhio National Bank in Columbus, has been hired for the No. 2 job at Boatmen's Bancshares Inc. in St. Louis..... 3

PRESIDENT RESIGNS: The president of RepublicBank Corp.'s lead Houston bank has resigned to become a vice chairman of the First City National Bank of Houston..... 3

What's Your Answer..... 4

A GOOD YEAR: Investments in regional banks paid off handsomely last year for the fund manager of the Fidelity Select Financial Services Portfolio..... 6

THE BACK PAGE: Wisconsin clearly led the field in yearend acquisition activity, but there were big deals in other states too as 1984 drew to a close..... 16

Quote

Well over half of all families are paying far more in higher finance charges and bank fees than they are earning in interest on deposits.

Stephen Brobeck, the executive director of the Consumer Federation of America. [1]

Unquote

Survey Says Many In US Can't Afford Banking Services

Consumer Federation Releases Findings at Parley on Marketplace

By LAURA GROSS

PHOENIX — Preliminary results of a nationwide survey of banks and thrifts conducted by the Consumer Federation of America show that consumers increasingly are unable to afford banking services.

According to Stephen Brobeck, executive director of the federation, "Well over half of all families are paying far more in higher finance charges and bank fees than they are earning in interest on deposits."

Mr. Brobeck revealed these preliminary survey results during a conference on financial services and the marketplace, which is being sponsored here this week by the White House Office of Consumer Affairs and 27 cosponsors, including the *American Banker*.

The Consumer Federation's survey, Mr. Brobeck said, shows that many poor and lower-middle-income families are now unable to afford "viable checking or savings options."

The survey found:

- Monthly service fees as high as $15 for regular checking and $25 for a NOW account.
- Charges as much as 50 cents per check written.
- Charges of $1 per deposit and 60 cents per automated teller transaction.
- And penalties as high as $30 for overdrafts and $20 for stock-payments.

Final results of the survey will be published in a book to be called "The Bank Book," an inexpensive manual that will also provide "a road map for consumers to the financial services

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Fed Shifts Gears on Prohibition Of Services to Nonbank Banks

By ANDREW ALBERT

WASHINGTON — Bowing to industry pressure, the Federal Reserve Board on Wednesday proposed allowing bank holding companies and nonbank banks to share various administrative, or back-office, functions — a measure that promises to give new legitimacy to out-of-state nonbank banks that are owned by bank holding companies.

At its first open session of 1985, a hesitant Fed board decided to invite comments on a proposal that would lift the current restrictions on sharing administrative functions and also would allow holding companies to share management executives with their limited-purpose banks.

If adopted, the change could significantly reduce the cost of opening and operating nonbank banks. As it now stands, bank holding companies are prohibited from providing internal support services for their nonbank bank subsidiaries.

The board's action takes on added importance because the Fed early next month must begin deciding on scores of requests by bank holding companies to establish nonbank banks. Those are among the 130 applications that

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SEC Scrutinizes Freddie Mac Dividend Distribution to Savings and Loan Firms

By DAVID LaGESSE

NEW YORK — The Securities and Exchange Commission is looking into earnings gains that will be reported by many savings and loans for 1984 as a result of the distribution of preferred stock and dividends to thrifts by the Federal Home Loan Mortgage Corp., an SEC staff member said Wednesday.

"We are looking at it as a two-step question, whether it can be accounted for as income, and then if it can, how much," said Michael McLaughlin, a professional accounting fellow at the SEC.

If it takes action, the agency will be joining the Office of Management and Budget in criticizing the stock distribution to thrifts, which was ordered last month by the Federal Home Loan Bank Board.

The Bank Board voted to transfer Freddie Mac's accumulated profit, estimated at between $600 million and $1 billion, to members of the Home Loan Bank system — some 3,300 institutions, primarily savings and loans.

That amount of cash shines brightly for the thrift industry, which otherwise earned only $1 billion to $1.5 billion for all of 1984, according to Bank Board estimates.

The SEC oversees the accounting for more than 100 thrift-holding companies. Mr. McLaughlin said he was concerned that some of those thrifts may publicly announce earnings, including dividend income, before the SEC has made its ruling.

A staff member of the Financial Accounting Standards Board also confirmed that his organization is ques-

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